

AMENDED IN ASSEMBLY MARCH 9, 2006  
AMENDED IN ASSEMBLY FEBRUARY 16, 2006  
AMENDED IN SENATE AUGUST 30, 2005  
AMENDED IN SENATE AUGUST 17, 2005  
AMENDED IN SENATE AUGUST 15, 2005  
AMENDED IN SENATE JULY 1, 2005

**SENATE BILL**

**No. 1015**

**Introduced by Senator Murray**

February 22, 2005

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An act to amend Section 2024.6 of the Family Code, relating to dissolution of marriage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1015, as amended, Murray. Dissolution of marriage: financial declarations.

Existing law permits a party to request that documents listing or identifying the parties' assets and liabilities be sealed in specified family law proceedings, including dissolution of marriage.

This bill would ~~extend~~ *revise* those provisions to include documents listing or identifying the parties' income or expenses, permit those records to be ~~sealed or~~ redacted, and make related changes. The bill would require the Judicial Council to adopt rules governing procedures for ~~sealing, unsealing,~~ redacting, and restoring those records.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. The Legislature finds and declares as follows:*

2     *(a) The fundamental right of privacy protects against*  
3     *unwarranted intrusion into private financial affairs, including*  
4     *those affairs disclosed in a dissolution of marriage, nullity of*  
5     *marriage, or legal separation proceeding.*

6     *(b) The law of this state requires any party to a proceeding for*  
7     *dissolution of marriage, nullity of marriage, or legal separation*  
8     *to disclose fully in documents that are filed with the court*  
9     *hearing that proceeding, thereby becoming a matter of public*  
10    *record, detailed and sensitive financial information, including*  
11    *the nature, extent, and location of the party's assets, liabilities,*  
12    *income or expenses, and information, such as social security*  
13    *numbers and bank account numbers, that can be used to identify*  
14    *and locate the party's assets, liabilities, income or expenses.*

15    *(c) The sensitive financial information that the law compels a*  
16    *party to a proceeding for dissolution of marriage, nullity of*  
17    *marriage, or legal separation to disclose into the public record is*  
18    *subject to use for improper purposes, particularly including but*  
19    *not limited to, the burgeoning crime of identity theft.*

20    *(d) Much of existing law concerning the redaction and sealing*  
21    *of court records was enacted or otherwise promulgated prior to*  
22    *the current epidemic of identity theft and the widespread use of*  
23    *electronic data bases, containing sensitive financial and other*  
24    *personal information, which data is vulnerable to misuse.*  
25    *Recently enacted federal legislation protects and guards against*  
26    *the misuse of personal information, including the risk of child*  
27    *abduction, stalking, kidnapping, and harassment by third parties.*  
28    *Existing state law is inadequate to protect these widespread*  
29    *privacy concerns.*

30    *(e) Local court rules regarding the disclosure of sensitive*  
31    *financial information vary from county to county. This act is*  
32    *intended to provide uniformity with respect thereto.*

33    *(f) For these reasons, the Legislature finds that existing law*  
34    *concerning the redaction and sealing of court records does not*  
35    *adequately protect the right of privacy in financial and marital*  
36    *matters to which parties to a proceeding for dissolution of*  
37    *marriage, nullity of marriage, or legal separation are entitled. It*  
38    *is the intent of the Legislature to protect more fully their right of*

1 *privacy while acknowledging and balancing the public's right of*  
2 *access to public records and judicial proceedings. Accordingly,*  
3 *in proceedings for dissolution of marriage, nullity of marriage,*  
4 *or legal separation, the Legislature finds that unnecessary public*  
5 *disclosure of financial assets, liabilities, income, expenses and*  
6 *residential addresses raises a substantial probability of prejudice*  
7 *to a financial privacy interest that overrides the public's right of*  
8 *access to court records. The Legislature further finds that the*  
9 *redaction of documents containing the above information is the*  
10 *least restrictive means of protecting the financial privacy interest*  
11 *of the parties while recognizing the public's right of access to*  
12 *court records.*

13 *SEC. 2. Section 2024.6 of the Family Code is amended to*  
14 *read:*

15 *2024.6. (a) ~~Upon~~ Notwithstanding any other provision of*  
16 *law, upon request by a party to a ~~petition~~ proceeding for*  
17 *dissolution of marriage, nullity of marriage, or legal separation,*  
18 *the court shall order redacted any portion of a pleading that lists*  
19 *the parties' financial assets~~—and~~, liabilities~~—and~~, income or*  
20 *expenses, or provides the location of, including a residential*  
21 *address, or identifying information about, those assets~~—and~~,*  
22 *liabilities~~—sealed~~, income, or expenses. Subject to the direction of*  
23 *the court, no more of any pleading shall be redacted than is*  
24 *necessary to protect the parties' overriding right to privacy. The*  
25 *request may be made by ex parte application. Nothing~~—sealed~~*  
26 *redacted pursuant to this section may be ~~unsealed~~ restored*  
27 *except upon petition to the court and a showing of good cause*  
28 *shown.*

29 *(b) Commencing not later than July 1, ~~2005~~ 2007, the Judicial*  
30 *Council form used to declare assets and liabilities *and income**  
31 **and expenses* of the parties in a proceeding for dissolution of*  
32 *marriage, nullity of marriage, or legal separation of the parties*  
33 *shall require the party filing the form to state whether the*  
34 *declaration contains identifying information on the assets~~—and~~,*  
35 *liabilities, *income, or expenses* listed therein. If the party making*  
36 *the request pursuant to subdivision (a) uses a pleading other than*  
37 *the Judicial Council form, the pleading shall exhibit a notice on*  
38 *the front page, in bold capital letters, that the pleading lists~~—and~~*  
39 *or identifies financial information and is therefore subject to this*  
40 *section. By the same date, the Judicial Council shall also adopt*

1 *rules setting forth the procedures to be used for redacting and*  
2 *restoring pleadings pursuant to this section.*

3 (c) For purposes of this section, “pleading” means a document  
4 that sets forth or declares the ~~parties’~~ assets ~~and~~, liabilities,  
5 income ~~and~~ or expenses, ~~a of one or both of the parties,~~  
6 *including, but not limited to, a marital settlement agreement that*  
7 ~~lists and identifies the parties’ assets and liabilities; exhibit,~~  
8 *schedule, transcript, or any document filed with the court*  
9 ~~incidental to the a declaration or marital settlement agreement~~  
10 ~~that lists and or identifies financial information.~~

11 (d) *For purposes of this section and notwithstanding any other*  
12 *provision of law, a privately compensated temporary judge may*  
13 *order pleadings redacted pursuant to the provisions of this*  
14 *section.*

15 (e) ~~The party making the request to seal requesting redaction~~  
16 ~~of a pleading pursuant to subdivision (a) shall serve a copy of the~~  
17 ~~unredacted pleading, a proposed redacted pleading and the~~  
18 ~~request for redaction on the other party or parties to the~~  
19 ~~proceeding and file a the proof of service with the request to seal~~  
20 ~~the pleading for redaction with the court.~~

21 (e)  
22 (f) Nothing in this section precludes a party to a proceeding  
23 described in this section from using any document or information  
24 contained in a ~~sealed pleading redacted pursuant to this section~~  
25 in any manner that is not otherwise prohibited by law.

26 (g) *Nothing in this section precludes a law enforcement or*  
27 *government regulatory agency that is otherwise authorized to*  
28 *access public records from accessing unredacted pleadings.*

29 SECTION 1. ~~The Legislature finds and declares as follows:~~

30 (a) ~~The people have a right of privacy in their financial affairs,~~  
31 ~~as well as in matters relating to marriage.~~

32 (b) ~~The law of this state requires any party to a proceeding for~~  
33 ~~dissolution of marriage, nullity of marriage, or legal separation to~~  
34 ~~disclose fully in documents that are filed with the court hearing~~  
35 ~~that proceeding, thereby becoming a matter of public record,~~  
36 ~~detailed and sensitive financial information, including the nature,~~  
37 ~~extent, and location of the party’s assets and liabilities and~~  
38 ~~income and expenses, and information, such as social security~~  
39 ~~numbers and bank account numbers, that can be used to identify~~  
40 ~~and locate the party’s assets, liabilities, income and expenses.~~

1     ~~(e) The sensitive financial information which the law compels~~  
2     ~~a party to a proceeding for dissolution or nullity of marriage or~~  
3     ~~legal separation to disclose into the public record is subject to use~~  
4     ~~for improper purposes, particularly including but not limited to,~~  
5     ~~the burgeoning crime of identity theft, yet is rarely if ever a~~  
6     ~~matter of legitimate public interest.~~

7     ~~(d) The Legislature also finds that protecting the sensitive~~  
8     ~~financial information subject to this section will further the~~  
9     ~~prompt and efficient resolution or settlement of proceedings for~~  
10    ~~the dissolution or nullity of marriage or legal separation by~~  
11    ~~preventing or discouraging the disclosure or threatened~~  
12    ~~disclosure of that information for improper purposes or to secure~~  
13    ~~collateral or unfair advantages.~~

14    ~~(e) Existing law concerning the sealing of court records was~~  
15    ~~not enacted or otherwise promulgated with consideration of the~~  
16    ~~extensive financial disclosures required of parties to a proceeding~~  
17    ~~for dissolution or nullity of marriage, or legal separation. Much~~  
18    ~~of existing law concerning the sealing of court records was also~~  
19    ~~enacted or otherwise promulgated prior to the current epidemic~~  
20    ~~of identity theft and the current widespread use of electronic~~  
21    ~~databases, containing sensitive financial and other personal~~  
22    ~~information, which data is vulnerable to misuse. Existing law~~  
23    ~~was enacted prior to the widespread concern over and federal~~  
24    ~~legislation designed to protect and guard against, the misuse of~~  
25    ~~personal information and child abduction.~~

26    ~~(f) For these reasons, the Legislature finds that existing law~~  
27    ~~concerning the sealing of court records does not adequately~~  
28    ~~protect the right of privacy in financial and marital matters to~~  
29    ~~which parties to a proceeding for dissolution or nullity of~~  
30    ~~marriage are entitled. It is the intent of the Legislature to protect~~  
31    ~~more fully that right of privacy while acknowledging and~~  
32    ~~balancing the public's right of access to public records and~~  
33    ~~judicial proceedings. Accordingly, it enacts this act.~~

34    ~~SEC. 2. Section 2024.6 of the Family Code is amended to~~  
35    ~~read:~~

36    ~~2024.6. (a) Notwithstanding any other provision of law, upon~~  
37    ~~request by a party to a proceeding for dissolution of marriage,~~  
38    ~~nullity of marriage, or legal separation, the court shall order~~  
39    ~~sealed or redacted any portion of a pleading that lists the parties'~~  
40    ~~financial assets, liabilities, income or expenses, or provides the~~

1 ~~location of, including a residential address, or identifying~~  
2 ~~information about, those assets, liabilities, income, or expenses.~~  
3 ~~Subject to the direction of the court, no more of any pleading~~  
4 ~~shall be sealed or redacted than is necessary to prevent~~  
5 ~~identification or location of the financial information subject to~~  
6 ~~this section. The request may be made by ex parte application.~~  
7 ~~Nothing sealed or redacted pursuant to this section may be~~  
8 ~~unsealed or restored except upon petition to the court and a~~  
9 ~~showing of good cause.~~

10 (b) ~~Commencing not later than \_\_\_\_\_, the Judicial Council form~~  
11 ~~used to declare assets or liabilities of the parties in a proceeding~~  
12 ~~for dissolution of marriage, nullity of marriage, or legal~~  
13 ~~separation of the parties shall require the party filing the form to~~  
14 ~~state whether the declaration contains identifying information on~~  
15 ~~the assets, liabilities, income, or expenses listed therein. If the~~  
16 ~~party making the request set forth in subdivision (a) uses a~~  
17 ~~pleading other than the Judicial Council form, the pleading shall~~  
18 ~~exhibit a notice on the front page, in bold capital letters, that the~~  
19 ~~pleading lists or identifies financial information and is therefore~~  
20 ~~subject to this section. By the same date, the Judicial Council~~  
21 ~~shall also adopt rules setting forth the procedures to be used for~~  
22 ~~sealing, unsealing, redacting, and restoring pleadings pursuant to~~  
23 ~~this section.~~

24 (c) ~~For purposes of this section, “pleading” means a document~~  
25 ~~that sets forth or declares the assets, liabilities, income or~~  
26 ~~expenses of one or both of the parties, including, but not limited~~  
27 ~~to marital settlement agreements, exhibits, schedules, transcripts,~~  
28 ~~or any document incidental to any declaration or marital~~  
29 ~~settlement agreement that lists or identifies financial information.~~

30 (d) ~~For purposes of this section and notwithstanding any other~~  
31 ~~provision of law, “court” includes a privately compensated judge.~~

32 (e) ~~The party making the request pursuant to subdivision (a)~~  
33 ~~shall serve a copy of the pleading containing financial~~  
34 ~~information subject to this section on the other party or parties to~~  
35 ~~the proceeding and file a proof of service with the request.~~

36 (f) ~~Nothing in this section precludes a party to a proceeding~~  
37 ~~described in this section from using any document or information~~

- 1 contained in a pleading sealed or redacted pursuant to this section
- 2 in any manner that is not otherwise prohibited by law.

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